Canadian viewers close to the U.S. border have always been able to receive U.S. broadcasts by conventional antenna. But with the emergence of microwave, cable and satellite technologies, U.S. signals can now be sent all over Canada.

CCTA official said.

Privately, cable representatives mutter about the "pro-broadcaster" stance of the CRTC and the broadcasting establishment's efforts to keep a "broadcasting status quo" in Canada, thwarting innovation and program creativity. Even the executive vice president of the Canadian Association of Broadcasters (CAB), Wayne Stacey, admits, "In the early days, the commission thought of the cable companies as a bunch of parasites to the broadcasting system. Now it recognizes the significant role cable can play."

Nonetheless, local Canadian broadcasters could be threatened if cable companies bring in a variety of U.S. programming. Again Stacey: "It seems the cable industry has great programming aspirations. If they (cable companies) got through an open skies policy, bring in any foreign programming they wanted, it would undermine the entire broadcasting system." And as for the SMATV issue, Canadian broadcasters would rather see the CRTC institute an aggressive regulatory policy than give the cable companies more access to U.S. programming.

Protective culturization

That, however, is unlikely in light of a recent Canadian federal court ruling, the Winnipeg *Holiday Inn* case. In its ruling, the court decided that SMATVs were unlicensable because they were not commercial enterprises providing programming to paid subscribers. Thus, the CRTC, cable officials hope, will open the door to more programming services, both U.S. and Canadian. Yet the interests of Canadian broadcasters and larger cultural concerns may block attempts to bring in more U.S. programming.

Part of the Canadian cable dilemma is simple geography. Although Canada sprawls across the

upper half of North America, the vast majority of its population is clustered within 150 miles of the U.S. border. An affluent, industrial nation, with a large group of English-speaking citizens, Canada over the years has served as a successful market for the U.S. programming industry, the largest in the world. Canadian broadcasters spend roughly $125 million a year for U.S.-produced programming. Canadian prime time is essentially U.S. prime time, as broadcasters and cable operators supply much U.S. programming in that time slot.

The popularity of U.S. programming poses a dilemma for Canadian officials who champion the development of strong broadcasting and programming industries. As one official at the CAB put it, "The government wants to maintain a Canadian broadcasting system. At the same time, the politics of not allowing U.S. programming into Canada is great. And the government does not want to appear as the censor of U.S. programming."

A larger concern, with heavy dramatic appeal, is the widespread fear that Canadian cultural identity will somehow be diluted by the likes of Mr. T or Richard Simmons. These fears were best summed up in the recent experience of a Michigan border radio station that was flooded with Canadian calls during a Thanksgiving pumpkin pie giveaway.

U.S. bureaucrats, who carry the torch of free market ideology, are not willing to hold Canada's hand through its identity crisis, especially when cable companies are receiving U.S. broadcasting signals out of Detroit and Seattle without compensating U.S. copyright holders.

And as for the cultural identity concern, U.S. officials point to the Canadian's substantial business interests in this country and such media figures as Robert MacNeil of

Top five Canadian MSOs

Rogers Cablesystems Inc.
HQ: Toronto, Ontario
Canadian systems: 13
Potential subscribers: 1,041,668 — Actual subscribers: 832,696

U.S. systems: 11
Potential subscribers: 669,122 — Actual subscribers: 557,201

Irish systems: 2
Potential subscribers: 139,000 — Actual subscribers: 111,000

Cablevision Nationale Limitee
HQ:Montreal, Quebec
Canadian systems: 3
Potential subscribers: 784,200 — Actual subscribers: 432,000

Maclean Hunter Cable TV Ltd.
HQ:Rexdale, Ontario
Canadian systems: 16
Potential subscribers: 444,108 — Actual subscribers: 352,864

U.S. systems: 7
Potential subscribers: 487,100 — Actual subscribers: 201,504

Capital Cable TV Ltd.
HQ: Edmonton, Alberta
Canadian systems: 12
Potential subscribers: 383,713 — Actual subscribers: 297,807

Cablecasting Ltd.
HQ:Toronto, Ontario
Canadian systems: 4
Potential subscribers: 205,476 — Actual subscribers: 197,739

U.S. systems: 6
Potential subscribers: 496,600 — Actual subscribers: 70,600

Source: *Matthews Corp.*, Quebec, Canada, June 1983

PBS, Peter Jennings of ABC and Morley Safer of CBS—all Canadians. "Now I ask you—just who are the cultural imperialists?" asked Commerce Department official David Markey recently before a group of Canadians in Montreal.

Worry over a possible national identity crisis, while perhaps seeming a bit alarmist to an American, is nonetheless deeply rooted in present-day Canadian cultural policy. Particularly in telecommunication matters, officials in Ottawa often use the cultural identity issue, with its obvious emotional appeal, as a rhetorical rallying point for broadcasting policy.

Enshrined in the Canadian 1968 Broadcasting Act, protection of cultural integrity demands the broadcasting system be "effectively owned and controlled by Canadians so as to safeguard, enrich and strengthen the cultural, political, social and economic fabric of Canada." As an offspring of that legislation, the CRTC came into being with its mandate to regulate and supervise the broadcasting system. Among other things, the CRTC imposes Canadian content requirements in programming and licenses new services introduced by the cable industry.

Despite the best efforts of the CRTC, the guardian of Canadian culture, more than 50 new U.S. television programming services are now delivered to Canada, a source of great concern in Ottawa and a possible threat to U.S. programming interests.

Canadian viewers have always been able to receive U.S. broadcasts by conventional antenna. However, limitations in over-the-air reception and high transmission costs meant that only nearby viewers could enjoy U.S. programming. Now, with the emergence of microwave, cable and satellite technologies, U.S. signals can be sent all over Canada.

Compensation rumblings

United States broadcasters and programmers have for years been trying to convince Canadian courts that they should be compensated for their programming. As the leading programming supplier worldwide, the U.S. has a great stake in the international acceptance of copyright compensation. Overseas rentals accounted for $944 million in remittals in 1981, according to U.S. figures.

Officials from the U.S. Copyright Office and the National Telecommunications and Information Administration fear Canadian disregard for U.S. copyright holders and broadcasters may spread to Mexico and the Caribbean, where some countries consider piracy a home industry.

Without modernized copyright laws that take new communication technologies into account, U.S. officials argue, producers may be reluctant to launch new programming ventures. And this issue takes even more pressing significance when one considers the growing demand for programming.

Broadcasters and programmers in this country have been particularly miffed by the recent actions of Canadian Satellite Communications Inc., which, with the blessing of the Canadian government, intercepts U.S. signals and then retransmits them by satellite to clients. Last July, the CRTC allowed CANCOM to pick up the signals of three network and public TV affiliates in Detroit and Seattle. CANCOM scrambles the U.S. signals to prevent piracy and charges an additional 70 cents a month per broadcast signal. The satellite service also proposes to deliver its expanded services to low power television for broadcast, also in scrambled form.

These Canadian moves have led U.S. legislators such as Sen. Patrick Leahy (D-Vt.) to complain about the

let's-get-something-for-nothing attitude of the Canadian government. Leahy has introduced a bill—S. 736—that would deny royalty payments to foreign countries that refuse to honor U.S. copyright holders.

While the bill is largely a signal to Ottawa about U.S. concern, U.S. officials are considering alternative measures such as scrambling U.S. signals before retransmission. And although U.S. officials do not seem to know exactly what to do about the retransmission problems, their resolve to do something is clear. "We are going to have to find any leverage that we can on this issue," one official said at a recent hearing.

Oddly enough, Canadian and U.S. broadcasters may be natural allies against Canadian cable operators. Both fear that cable operators may seriously erode their markets. KXMD-TV in Williston, N.D., successfully resisted attempts by a Canadian cable company in the Saskatchewan province to delete the station's signal, replacing it instead with the CANCOM package of signals out of Detroit. General Manager John Blake expressed his fear simply: "If cable operators were to pick up U.S. signals through CANCOM, our interests would be threatened—we would not be viewed in Canada."

Tony Scapillati, a legal representative for the CAB, echoed the position of U.S. broadcasters. He is particularly concerned that cable operators that pick up station signals from Detroit would become superstations, penetrating all the large markets in Canada. "And this will have a detrimental effect on the program acquisition abilities of local broadcasters. The Detroit stations could buy the markets that they were being transmitted into. And that would upset the ability of local programmers to buy programming from distributors," he said.

The contradictory quality of Canadian policy that on the one hand stresses the development of Canadian programming, and then floods its markets with U.S. programming, places Canadian cable companies and broadcasters at odds. And if left unresolved, the copyright issue may later haunt Canadian programmers that try to merchandise programming in this country.

A large concern to Canadians is the widespread fear that the country's cultural identity will be diluted by the likes of Mr. T or Richard Simmons.

Yet the inability so far of Canadian policymakers to balance the interests of cable companies and broadcasters, while satisfying the public's demand for quality programming has exacted perhaps even greater costs. Under the weight of CRTC regulations, the cable industry has suffered from, in the words of CCTA President Hind-Smith, "a tendency in this industry for entrepreneurial attitudes to shrivel."

Communications expert Dave Crowely, a professor at McGill University, put the problem in more forceful terms: "I don't think that anyone in Canada nowadays regards the cable industry as an important source of risk-taking within the cultural industries." Crowely sees the industry as having reached a saturation point in Canada. Too much regulation, and too few programming options are pushing the industry toward what he terms "paper growth" rather than real economic growth. "Large cable companies will start to buy other cable companies and component industries. The danger is that a few huge cable companies will dominate in Canada—and programming will become even less creative," he predicted.

The future of Canadian cable will depend on how fast new programming services are licensed by the CRTC. One promising sign coming out of the Department of Communications is a move to establish policy-making with the Minister of Communications, rather than in the licensing policy of the CRTC. Yet as long as Canadians fear the "cultural imperialists" from the South, the Canadian cable experience will continue to be a frustrating one.■

Construction forecast

Building for the future

As anyone in the Rocky Mountain region can attest, cable construction isn't going anywhere. With sub-zero weather and several feet of snow covering the ground, movement among construction crews is slow at best.

But the weather isn't the sole culprit in this year's vast slowdown; the backward lurch on construction expenditures in general is due to a lack of demand from the operators. Operators should not take the entire blame for the decrease of product this year across the board; they too, were victims of a business that for most of 1983 went sour.

Most forecasters and many companies saw this trend coming. Indeed, in last year's forecast, *CableVision* predicted a downturn in business, and for the first time in the eight years the magazine has published its research, a lower overall construction expenditure figure was reached. As the data began to filter in, it was learned that this original figure was actually too optimistic; the final construction expenditure figure for 1983 proved to be much lower than earlier predicted. It is not unfortunate that *CableVision* was off on its number, but unfortunate that the industry was so far off *its* number than what it anticipated.

It is a reasonable figure because the industry has performed so poorly, with the snowball effect being that a corresponding number of companies have reluctantly been forced to close their doors, or have been swallowed by other companies, or lost company officers due to the lackluster business principally from operators. More than one operator has withheld payment from suppliers or manufacturers because of cash flow problems. Overstocked warehouses and severe competition in various markets have combined to force the ouster of many companies from the field, but instead of drawing their business to the remaining contenders, the business withdrew as well. Companies that thought they could rush in and fill the gap left by a failing business found out that there wasn't anything there for them. Operators were holding onto what they had and were not renewing orders as frequently, and there is still a feeling of uncertainty in the marketplace about the status of a number of products that are still feeling their way in terms of demand. Addressability is certainly a leading candidate; operators are buying more addressable converters than they had in the past, but there is an underlying reluctance to commit large dollars until the industry as a whole is satisfied with the performance and reliability of the addressable converter.

Another complex matter is in megahertz. More than one operator has questioned the need to expand further and go higher in number. "Can't the industry decide on one level and remain there for a while?" asked one operator who responded to the survey. "We get 500 MHz, then 550, now 600. . . it's simply going too fast and I'm not about to upgrade if I don't need to."

That seems to be a logical reaction. The cable industry is plagued with obsolescence as one product line is quickly outdated and replaced, or modified. The operator is forced to ask himself if he should upgrade his equipment to make it state-of-the-art, even if his existing equipment still functions properly.

The answer is that the operator is *not* buying it. He is content to stay with the equipment and products he presently has in place and will put off what he can until tomorrow, or several years down the road. This trend was best demonstrated at all of the trade shows this year. Exhibitors have consistently complained at one show after another during 1983 that there has been

very little business and very poor showings by the operator. The operator will come in with an order that he has determined will meet his needs almost to a "T" or, alternatively, not purchase at all.

This type of behavior, combined with the fact that many operators that had originally proposed large systems with

channel capacity exceeding 100 have reduced those numbers, has produced a trend. While this trend is not steady, it has occurred in many diverse markets, in which the operators have requested from the local city councils permission to reduce system size due to unforseen costs and/or an inability to build and profitably run a system the company originally bid. Manufacturers, suppliers and contractors that had sent proposals to the operator expecting the larger system were subsequently forced to cut back on their own orders or projected business, which contributed to a lower bottom line.

In addition, many of the larger markets that were expected to come on line, or at least see a fair percentage of their system completed by year end 1983, have been forced to revise their own construction forecasts and request extensions. The fault here must lie among the city councils that have delayed decisions or forced them into litigation due to various disputes. Other cable operators have been locked in battle among competitors in boundaries, portions of the various franchise, or in negotiations with neighboring or clustering franchises.

Other causes of the slowdown this year include company headquarters of the MSOs, which have dickered over management decisions in house and have forced the issue of smaller orders of equipment and supplies to their systems in an effort to cut overhead. Furthermore, turmoil at parent companies over the MSO could have resulted in delayed decisions affecting construction and other aspects of the cable business. Certainly, companies that are involved in cable operations *and* programming with problems on the programming end have had a lateral affect on the operations side.

Returning to the urban system situation, operators that have been awarded such large operations have also run into problems that had not been predicted, especially if the winning operator is a novice at building big systems. Still, such universal problems as right of way and "underground etiquette" may have hampered matters. Securing adequate financing has long been a problem for all operators, no matter how large they are. Acquiring the capital may have proved less difficult, but determining how much capital is needed to build these mammoth communications networks is one serious problem fraught with revisions every step of the way.

Other culprits for the slowdown in the construction business include legislators at the local and national levels, and simply a serious morale problem industrywide, brought on by an economy that has been sluggish for most of 1983 and has forced the end user of cable television, the subscriber, to disconnect or not sign up for cable at all.

However, the industry is growing. There are more subscribers coming on line every month. Recent statistics indicate that the industry grew by 4 million basic subscribers and approximately 6 million pay units in 1983. But if the economy had been better, that number could have been higher. Then, the operators would have had more revenue, which could have been invested in construction to further build or extend systems that would serve more subscribers.

Although everyone is at fault, the bottom line is that the construction business is not what it used to be, and sadly, this appears to hold true for the future. The industry will not experience the phenomenal growth it once did during the late 1970s and early 1980s. But this is not to say that the construction business is a dinosaur. As the economy picks up, the cable business as a whole should experience a better year in 1984. Furthermore, as the chart on urban markets indicates, construction of these super systems still remains and the potential here for business is enormous. Not included on this chart are other major markets that have yet to decide on a franchise winner—principally Baltimore and Washington, D.C.

And beyond this lie rebuilds, a growing concern not only for operators seeking refranchising meetings with city council, but among manufacturers and construction firms seeking to accommodate the operator in upgrading or refitting his system. A recent study by *CED* found that within the time frame of 1982 to 1985, approximately 220 systems will be up for refranchising, most of them being 12-channel, which will more than likely require some form of upgrade.

Finally, the cable operator, because in most cases he is a futurist by virtue of his being in this industry, will seek to upgrade his equipment because it is obsolete and he desires state-of-the-art capability. The rationale behind this is the need on the

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Construction expenditures

New plant construction (in miles)	1983 actual	1984 projected
Underground	7,015	11,435
Aerial	61,960	68,468
Total	**68,975**	**79,903**
Cost ($ in thousands)		
Antennas and towers	3,900	4,200
Microwave equipment	25,300	27,100
Headend	25,800	28,600
Line amplifiers	117,500	136,300
Cable—Trunk	79,400	93,700
Feeder	98,700	114,500
Drop	62,000	72,000
Taps and outlets	39,000	44,800
Converters—Nonaddressable	131,500	143,300
Addressable	172,000	215,000
Construction services*		
Overhead	99,400	103,400
Equipment	149,100	159,500
Earth stations	14,000	16,800
Pay TV security devices	49,700	54,700
Local origination equipment	24,800	27,300
Labor costs	287,400	323,300
Total	**1,379,500**	**1,564,500**
Replacement plant construction (in miles)		
Underground	4,125	5,668
Aerial	23,025	26,432
Total	**27,150**	**32,100**
Cost ($ in thousands)		
Antennas and towers	2,900	3,200
Microwave equipment	4,600	4,900
Headend	3,100	3,400
Line amplifiers	20,500	23,600
Cable—Trunk	12,800	15,000
Feeder	24,600	29,400
Drop	21,400	23,000
Taps and outlets	4,300	5,900
Converters—Nonaddressable	9,900	12,000
Addressable	4,500	8,000
Total	**108,600**	**128,400**
Grand total	**1,488,100**	**1,692,900**

*Overhead is classified as rent, etc., except labor cost and equipment. Equipment is classified as tools, supplies, vehicles, etc.

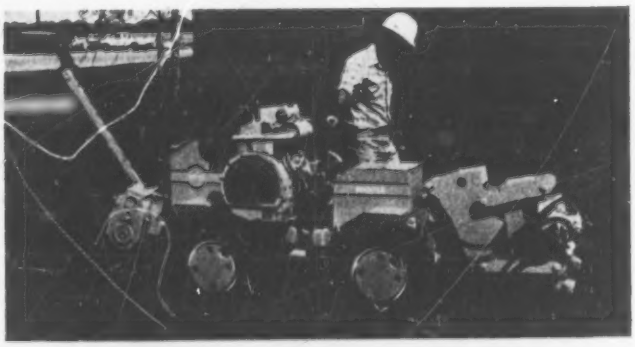
Major franchise awards—1983

City	Homes	Date	Company
East Multnomah Co., Ore.	80,000	April	Rogers
Milwaukee	253,000	May	Warner Amex
Minneapolis	170,000	August	Rogers (purchased from Storer)
New York (Four unwired boroughs)			
Bronx	432,000	June	Cablevision Systems
Brooklyn	606,000	June	Cablevision Systems
	200,000	June	Warner Amex
Queens	300,000	June	Warner Amex
	265,000	June	ATC
	188,000	June	Queens Inner Unity Cable
Staten Island	190,000	June	Vision Cable
	58,000	June	Cox Cable
Detroit	471,000	July	Barden Communications
East San Fernando, Calif.	166,000	September	United Cable
Los Angeles (south central)	180,000	September	ACCESS
St. Paul, Minn.	111,000	November	Continental Cablevision
Sacremento, Calif.	360,000	November	Cablevision systems
Awards expected January 1984			
Chicago			
Preliminary negotiating rights awarded to the following:			
Area I:	300,000		Cablevision Systems
Area II:	217,000		Group W
Area III:	193,000		Group W
Area IV:	226,000		Chicago Cable Communications
Area V:	188,000		Continental Cablevision
Philadelphia	620,000		
Award expected February 1984			
St. Louis	178,000		

operator's part to expand his business beyond delivery of entertainment signals. As data transmission and business communications become more of a viable and profitable entity, the operator will be forced to purchase equipment and upgrade his system to accommodate the demand for this type of business. Computers, two-way cable, keypads, security systems, fiberoptics and modems will become add-ons to the standard supply of equipment found within a cable system.

The future seems bright for the industry. But it will be forced to change and adjust to the demands facing it. It must come to grips with the fact that the cable business as it has operated for the past five, 10, or 30 years, is going to change. And until the economy revives and the industry completes its present pattern of shake-outs, churn and realignments among programmers, operators and manufacturers alike, the construction end of the business will be plagued with uneven revenue cycles and a seemingly downward or flat pattern of performance.

It is not a bleak future, but from a business standpoint, it is not a bright one. But the construction business is a hardy one, and one that can adapt when and wherever it has to—that is the nature of its business, especially when it comes to building systems. But in terms of projections, the construction business has to realize that demand for its services will continue to level out until conditions



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across the cable board dictate a return to higher output. The end result may be that the higher output will not match the earlier years, and there may still be a number of additional casualties among the companies—both manufacturers and contractors—plus competition from the telcos, which would like a percentage of the business. But that business should remain fairly steady during the next several years of urban builds and after that, in rebuilds. That should be sufficient, despite the numbers that appear in this year's expenditure chart, to be optimistic about the future of the construction business and the cable industry overall.

Briefly, the intention here is to highlight and explain certain categories within the chart and why the numbers came out the way they did. Again, as *CableVision* has stated in the past, these results were derived from a sampling of operators and manufacturers and are, at most estimates, based upon information supplied to *CableVision* from these groups. All numbers and company references are held in strict confidence, nor will they be revealed to any source requesting them. Furthermore, these results represent the work of *CableVision* staff members and, by virtue of the informality of this survey, cannot be used as scientific evidence in a court of law.

Upon receiving and computing all information for this year's construction forecast, it was determined that all expenditures for 1983 were down from last year's projections. This was hardly surprising on any front. Construction of new plant miles was down by nearly 15,000 over last year. Expectations for 1984 equal the number of miles that *CableVision* predicted for 1983. This appears to be the case with most categories, with the exceptions being line amplifiers, feeder cable and addressable converters, all of which are higher for 1984. In some categories, it is expected in 1984 that the demand for such products will become progressively less. These include antennas and towers, microwave equipment, non-addressable converters, and to a lesser extent—at least within the next two years—pay TV security devices and local origination equipment. Rationalization for this lies in the fact that operators, suppliers and manufacturers have overstocked these items and will deplete existing supplies before ordering or manufacturing more.

In many cases, operators will strive very hard to continue to keep overhead costs low, as well as labor. It was decided, upon numerous requests, to break down construction services to reflect both overhead and equipment categories. Overhead costs consist of those expenses—related to construction—such as rent, utilities, insurance, gasoline, etc. Equipment refers to tools, vehicles, uniforms and other tangible items. It is obviously in the operator's best interest to keep these expenses as low as possible. Labor costs, which will rise with the cost of living, are also built into the amount of construction projected for next year. Because the total miles are lower than the year before, labor costs also will be lower.

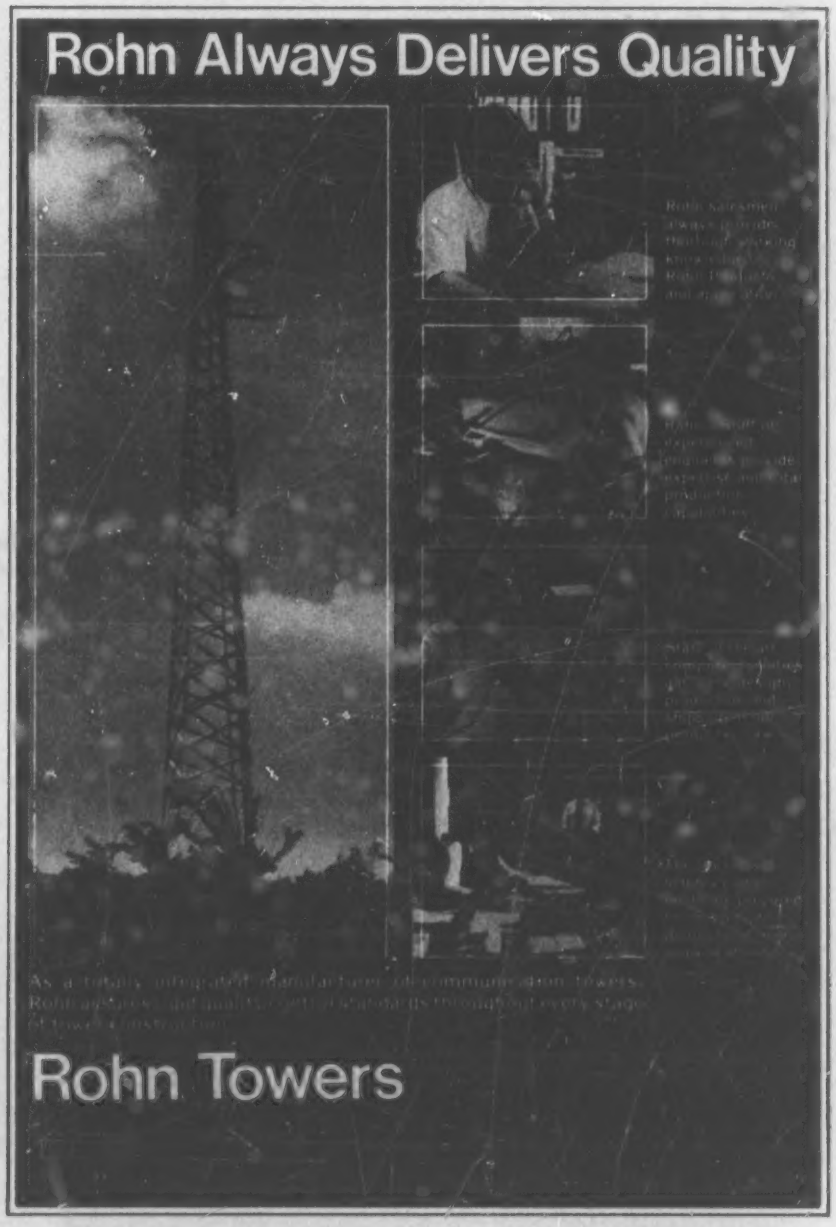
Categories that are expected to experience increases for next year include those already mentioned as well as earth stations. This product will continue to grow in demand as more operators purchase additional dishes. The most dramatic increase over 1983 will be in the area of addressable converters as this product finally earns its respectability and market power among cable operators.

Overall, numbers for 1983 were down approximately 15 percent over last year, while projections for 1984 run on the average of a 13 percent increase. Completion of 1984 expenses will put the industry about equal to where it was in 1982. So, although 1984 can best be described as a "catch-up year," it should be a much better year when compared to 1983. And that's the good news.

On the replacement plant side, numbers were closer than with new-build simply because operators can—to some degree—delay new plant construction while they cannot afford to hold back on rebuilds and upgrades on existing systems, especially when the retention of the franchise is at stake.

Cost for rebuild will increase per mile in 1984, and overall expenses will grow as the tables slowly turn toward rebuild's favor, especially in the latter half of the 1980s. Converter expenses—both addressable and non-addressable—will expand as will cable. More underground cable will also be planted in rebuild systems next year. The future is still bright.

—Peter Evanow



New scholarships offered

Suburban Cablevision begins a new program to aid four college-bound students yearly

EAST ORANGE, N.J.—In an effort to get involved with the communities it serves, Suburban Cablevision will offer $2,000 per year scholarships to four college-bound students selected from its franchise areas each year beginning this new year.

Phil Patterson, Suburban Cablevision general manager, said that although the publicity won't hurt, the system's main reason for instituting the program is a "corporate commitment to help serve the municipalities we service."

"It is self-serving, but I also happen to think it's the right thing to do," Patterson said. "A company should turn back a certain percentage of its profits into things that will benefit the community it works in. There are some bad things we've done in the past—any small business will have its problems—and this helps to offset some of the negatives with positives."

Patterson said he expects to receive about 150 applications for the scholarship funds; selections will be based on academic ability and financial need. Suburban is distributing applications to public and private schools in its 41 municipalities. It is depending on the cooperation of academic guidance counselors to do some pre-screening. Applications will be accepted until April; awards will be made in June for the fall 1984 school year.

The ongoing scholarship program is expected to cost Suburban about $32,000 a year; the number of participants eventually will rise to 16 per year. Patterson said it is possible that Suburban will try to increase the size of the scholarship award by getting suppliers involved.

An eight-person committee made up of four Suburban Cablevision employees and four community people—including a judge, a representative from Rutgers State University and Allan Rubinstein, executive vice president of Madison Square Garden Network—will be chaired by Kate Wood, executive director of the Educational Consortium for Cable.

Each scholarship will run for a maximum of four years and will be renewable each year. The scholarships give students a choice of school and field of study. Continuance of the entire program is subject to annual review by the board of directors of Suburban Cablevision .

Patterson said the scholarship program, which has been getting a "very positive response from the community," was first introduced to the mayors of each municipality at a dinner party sponsored by Suburban Cablevision.

"There are other charitable causes we make corporate donations to, but we thought something for youth would be in the best taste—cable is a young industry," Patterson said. *—Cecilia Capuzzi*

Canadians push pay

Results show that marketing pay TV services has become important to operators

OTTAWA—The Canadian Cable Television Association's 1983 marketing survey shows that marketing cable's pay television services has become a top priority among many Canadian systems. In some cases, marketing expenditures have doubled and cable system marketing staffs have increased from three to 50 times more than 1981 levels.

However, since Canadian cable systems launched pay services just this past year—in February 1983—CCTA marketing coordinator Louise Brownlee acknowledged that it was only natural for marketing expenditures to rise.

The May 1983 survey asked respondents

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CCTA marketing survey

Group	# of subs	Average total marketing expenditure ($) 1981	1983	Average marketing expenditure/sub ($) 1981	1983
A-B	0 - 4,999	8,652	9,220	6.31	2.57
C	5,000 - 9,999	9,628	10,353	2.37	9.67
D	10,000 - 19,999	24,105	62,270	2.55	3.78
E	20,000 - 29,999	77,181	52,412	1.70	2.05
F	30,000 - 49,999	77,134	122,396	2.90	3.02
G	50,000 - 99,999	153,523	666,789	3.00	5.07
H	100,000 or more	563,742	1,059,036	3.47	4.11

Source: Canadian Cable Television Association

to list marketing expenditures for the year beginning in May 1982. Some 53 CCTA members, 44 of whom offered pay services at the time, responded. The study found that 1983 marketing expenditures went up at all but the smallest systems that served fewer than 5,000 subscribers. According to the report, cable companies spend between 27 cents and $8.46 per basic cable television subscriber compared to $1.68 to $148.30 per pay television subscriber for marketing projects.

The study also found that penetration was higher in systems where no decoder deposit was required and where discounts were offered. An installation discount was the most successful method of increasing pay penetration.

Companies with high pay penetration also made staff training a priority. "Companies with pay penetration ratios greater than 6 percent have a slightly greater tendency to use training programs and a significantly greater tendency to use incentive programs," according to the report. In addition, the report states, companies with more than 30,000 subscribers have, on average, more than doubled their full-time door-to-door staffs.

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Notes

■ TVSM, publisher of *Cable Today* and *Cable Guide*, will produce a system-specific version of *Cable Guide* for newly launched Tribune/United Cable Communications near Detroit in Royal Oak, Mich.

■ Heritage Communications Inc., a Home Box Office affiliate since 1976, extended its commitment to HBO for an additional 10 years. The MSO will continue to provide HBO in more than 120 Heritage cable systems in 14 states, representing more than 175,000 HBO subscribers, 350,000 cable subscribers and 700,000 homes passed.

■ ESPN announced that 41 advertisers placed orders with the sports network during the month of October. Ten of those were first-time sponsors: Blistex, Cribari Wines, JVC Home Video Products, Kentucky Fried Chicken, Kloss Video, Murdoch Productions Inc., Professional Golf Association, Reid/Land Productions, Uniden Cordless Telephone and Visa.

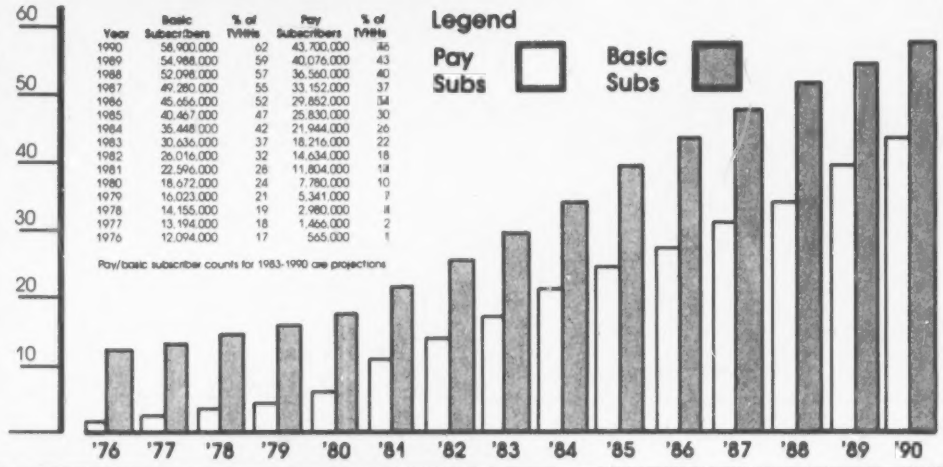
■ Group W in Irving, Texas, affiliate of Festival, The Texas Cable Network, began running its programming on Nov. 14. The statewide interconnect distributes original programs to affiliates and has contracts pending with Rogers in San Angelo and Laredo and with Group W in El Paso.

■ Nationwide CableRep, re-opening the doors of Eastman CableRep, announced its five-office operation and locations to be run from the national headquarters in Cleveland: A.M. Pena Building, 27801 Euclid Ave., Cleveland, Ohio; One Rockefeller Plaza, New York, N.Y.; 444 N. Michigan Ave., Suite 1905, Chicago, Ill.; 4676 Admiralty Way, Suite 714, Marina del Rey, Calif.; Pylon Park One, Suite 280, 5301 N. Federal Highway, Boca Raton, Fla.

Cablestats

Source: ICR, Cable Information Service—a Titsch Communications division.

Pay/basic cable growth



Year	Basic Subscribers	% of TVHHs	Pay Subscribers	% of TVHHs
1990	58,900,000	62	43,700,000	46
1989	54,988,000	59	40,076,000	43
1988	52,098,000	57	36,560,000	40
1987	49,280,000	55	33,152,000	37
1986	45,666,000	52	29,852,000	34
1985	40,467,000	47	25,830,000	30
1984	35,448,000	42	21,944,000	26
1983	30,636,000	37	18,216,000	22
1982	26,016,000	32	14,634,000	18
1981	22,596,000	28	11,804,000	14
1980	18,672,000	24	7,780,000	10
1979	16,023,000	21	5,341,000	7
1978	14,155,000	19	2,980,000	4
1977	13,194,000	18	1,466,000	2
1976	12,094,000	17	565,000	1

Pay/basic subscriber counts for 1983-1990 are projections

Cable barometer

Television households (TVHH) 83,300,000
Homes passed by cable (HP) . 52,333,336
Percent of TVHH passed by cable 62.7%
Basic cable subscribers . 29,060,756
Percent of TVHH with basic cable 34.5%
Pay cable subs 17,308,666
Percent of TVHH with pay cable 20.5%
Percent of HP with pay cable 33.1%
Percent of basic subs with pay cable .. 59.6%

Figures are as of Aug. 31, 1983.

STV operators

This chart is continued from the Jan. 2, 1984 issue.

SelecTV of California, Inc. (STV:5)
Short name: SelecTV of California
4755 Alla Road
Marina del Rey, Calif., 90292
(213) 827-4400
Manager: George Hancock
Parent: Clarion Co., Ltd.
Head City: Marina del Rey
Channel: 22
Population: 7,081,000
Granted date: 3/1/83
Turn on date: 7/1/78
Programming: Movies - non-theatrical, theatrical, broadcast; championship sports; concerts; Adult Theater, late night adult fare
Basic subs: 118,000 (7/1/83)
Basic rate installation: $49.95
Basic rate month: $21.95
Comments: Subscriber # combined with SelecTV system in Wis. Deposit ranges from $50.00 to $200.00 (based on credit rating).
Call letters: KWHY

SelecTV (K18A1 STV:36)
Short name: SelecTV (K18A1)
1404 West 4th Street
Grand Rapids, Minn., 55744
(218) 326-5932
Manager: John Boler
Parent: Community Broadcast Incorporated
Granted date: 7/1/82
Turn on date: 12/1/82
Programming: SelecTV programming with adult tier - Adult Theater
Basic subs: 1,800 (11/1/83)
Basic rate installation: $49.50
Basic rate month: $15.85
Comments: Grand Rapids Channel 18 is combined with Bemidji as one system; Population and subscriber #'s are combined, too.
Additional tiers: $6.00
Channel: 18
Population: 62,000

Sports Vision (STV:11)
Short name: Sports Vision
875 N. Michigan, Ste. #1540
Chicago, Ill., 60611
(312) 787-2600
Manager: Jack Jacobson
Parent: Four Chicago sport teams
Head City: Chicago
Channel: 60
Population: 2,300,000
Granted date: 11/1/81
Turn on date: 5/1/82
Programming: 100% live sports daily-afternoons and early nights; now part of Group W joint venture (sports network out of Houston).
Basic subs: 25,000 (7/1/83)
Basic rate installation: $52.95
Basic rate month: $21.95
Comments: Sports Vision runs on 10 Chicago area cable systems and on the ON-TV STV system for a total of 40,000 subs; 25,000 ON-TV.
Call letters: WBBS
Additional tiers: $15.00

Subscription Televison of Greater Washington/Baltimore (STV:8)
Short name: Super TV
8200 Greensboro Dr., Ste. 400
Manager: Tom Thompson
Parent: Field Communications, Subscription Television of America
Head City: Washington, D.C.
Channel: 50
Population: 2,500,000
Granted date: 8/1/80
Turn on date: 11/1/81
Programming: Super TV - blockbuster movies, live simulcast concerts, sports events, occasional pay-per-view (special events), adult tier - Nightlife.
Basic subs: 82,972 (7/1/83)
Basic rate installation: $49.95
Basic rate month: $19.95
Comments: Subscriber # combined with Baltimore; Super TV Channels 50 (Washington) and 54 (Baltimore) operate together as one.
Call letters: WCQR
Additional tiers: $5.95

Subscription Television of Greater Washington/Baltimore (STV:16)
Short name: Super TV
8200 Greensboro Dr., Suite 400
Mc Lean, Va. 22102
(703) 556-9250
Manager: Tom Thompson
Parent: Field Communications, Subscription Television of America
Head City: Baltimore, Md. 21201
Channel: 54
Population: 2,500,000
Granted date: 3/1/80
Turn on date: 7/1/82
Programming: Super TV - blockbuster movies, live simulcast concerts, sports events, occasional pay-per-view (special events), adult tier—Nightlife
Basic subs: 82,972 (7/1/83)
Basic rate installation: $49.95
Basic rate month: $19.95
Comments: Subscriber # with Washington; Super TV channels 50 (Washington) and 54 (Baltimore) operate as one system.
Call letters: WNUV
Additional tiers: $5.95

Veu, Inc. (STV:34)
Short name: Veu, Inc.
901 West North Carrier Parkway
Grand Prairie, Texas 75050
(214) 988-3005
Manager: Donald Stone
Parent: Independent American Subscription Television (IASTV)

Cable stats

Head City: Dallas
Channel: 27
Population: 3,550,000
Granted date: 3/1/80
Turn on date: 11/1/80
Programming: 12 hours of nightly movies, sporting events, pay-per-view (special events), Nite Veu or The Adult Movie Tier after 10:30 p.m.
Basic subs: 36,500 (12/1/83)
Basic rate installation: $49.95
Basic rate month: $17.95
Comments: Veu Inc. now owns all Dallas systems; addressable units for pay-per-view; subs pay less by buying/owning equipment.
Call letters: KTWS
Additional tiers: $2.00

WHT (Wometco Home Theater—STV:22)
Short name: WHT (Wometco Home Theater)
286 Eldridge Rd.
Fairfield, N.J. 07006
(201) 227-8700
Manager: Carmen Colucci
Parent: Wometco Enterprises Inc.
Head City: Philadelphia
Channel: 65
Population: 2,400,000
Granted date: 12/1/79
Turn on date: 7/1/81
Programming: WHT - recent major films, entertainment special, children's films, music, comedy, original programming, "Nightcap" late night adult tier (Monday to Saturday after 11 p.m.)
Basic subs: 100,000 (11/1/83)
Basic rate installation: $63.00
Basic rate month: $21.00
Comments: Population is TV homes; 94% of subscribers take adult tier. Subscriber # is combined Newark, Fairfield and Islip counts.
Call letters: WRBV
Additional tiers: $5.95

WHT (Wometco Home Theater-STV:23)
Short name: WHT (Wometco Home Theater)
390 W. Market St.
Newark, N.J. 07107
(201) 643-6800
Manager: Herb Lefkowitz
Parent: Wometco Enterprises Inc.
Channel: 68
Population: 6,400,000
Granted date: 7/1/72
Turn on date: 3/1/77
Programming: WHT - recent major films, entertainment specials, local sports, children's films, music, comedy, original programming, "Nightcap" late night adult fare.
Basic subs: 100,000 (11/1/83)
Basic rate installation: $66.00
Basic rate month: $22.95
Comments: Combined with Smithtown—Neward Channel 68 and Central Islip, N.Y. Channel 67 are one system; Pop # is TV nomes.
Call letters: WWHT
Additional tiers:

WHT (Wometco Home Theater STV:24)
Short name: WHT (Wometco Home Theater)
3200 Expressway Dr. S.
Central Islip, N.Y. 11722
(516) 582-6700
Manager: Herb Lefkowitz
Parent: Wometco Enterprises Inc.
Head City: Smithtown
Channel: 67
Population: 6,400,000
Granted date: 7/1/78
Turn on date: 1/1/80
Programming: recent major films, entertainment specials, local sports, children's films, music, comedy, original programming, "Nightcap" late night adult fare
Basic subs: 100,000 (11/1/83)
Basic rate installation: $66.00
Basic rate month: $22.95
Comments: Smithtown (Central Islip) Channel 67 and Newark Channel 68 are combined as one system - N.Y. area; Pop is TV homes.
Call letters: WSNL

Willamette Subscription TV (STV:30)
Short name: Willamette Subscription TV
2545 SW Spring Garden
P.O. Box 19817
Portland, Ore. 97219
(503) 293-6666
Manager: Chris Desmond
Parent: Willamette Subscription TV
Head City: Salem, Ore.
Channel: 22
Population: 788,000
Granted date: 7/1/81
Turn on date: 1/1/82
Programming: ON TV programming - movies, sports, concerts, pay-per-view (special events), adult tier (nights)
Basic subs: 15,000 (6/1/83)
Basic rate installation: $59.95
Basic rate month: $19.95
Call letters: KECH
Additional tiers: $5.00

Source: ICR, Cable Information Service—a Titsch Communications division.

Top 20 systems

Rank	Location	Operator	Basic subs	
1.	San Diego, Calif.	Cox Cable	233,476	(11/83)
2.	Woodbury (Long Island), N.Y.	Cablevision Systems	203,000	(8/83)
3.	Houston, Texas	Warner Amex	184,900	(7/83)
4.	Manhattan, N.Y.	ATC	181,575	(9/83)
5.	San Antonio, Texas	Rogers Cablesystems	166,341	(9/83)
6.	West Orange, N.J.	Maclean Hunter	152,667	(9/83)
7.	Wayne, N.J.	UA Cablesystems	124,300	
8.	Cincinnati, Ohio	Warner Amex	110,500	(7/83)
9.	Tulsa, Okla.	United Cable	109,272	(9/83)
10.	Audubon, N.J.	NYT Cable	107,511	
11.	Rochester, N.Y.	ATC	103,300	(9/83)
12.	Erie County, N.Y.	Prime Cable	102,664	(11/83)
13.	Baltimore County, Md.	Caltec Cablevision	100,793	(12/83)
14.	San Jose, Calif.	Gill Industries	100,300	(11/83)
15.	Tidewater, Va.	Cox Cable	97,201	
16.	Austin, Texas	ATC	94,740	(9/83)
17.	Honolulu, Hawaii	ATC	92,100	(9/83)
18.	Seattle, Wash.	Group W Cable	91,200	
19.	Orlando, Fla.[1]	ATC	90,000	(9/83)
20.	Memphis, Tenn.	ATC	89,950	(9/83)

Subscriber counts are as of 10/83 unless noted otherwise.
[1] Number is an estimate.
Source: Sub counts are provided by the operators for ICR, Cable Information Service—a Titsch Communications division.

Top 20 MSOs

Rank	Multiple system operator	Basic subs	
1.	Tele-Communications Inc.[1]	2,500,000	(9/83)
2.	American Television and Communications Corp.	2,300,000	(9/83)
3.	Group W Cable	1,917,000	
4.	Cox Cable Communications Inc.	1,414,147	(12/83)
5.	Warner Amex Cable Communications Inc.	1,350,000	
6.	Storer Cable Communications	1,315,000	(9/83)
7.	Times Mirror Cable Television Inc.	885,311	(9/83)
8.	Newhouse Broadcasting[2]	769,649	(9/83)
9.	Continental Cablevision	723,000	
10.	Viacom Cablevision	699,561	
11.	United Cable Television Corp.	601,000	(9/83)
12.	Sammons Communications Inc.	566,929	
13.	Rogers Cablesystems Inc.	467,073	(9/83)
14.	Cablevision Systems Development	376,000	
15.	TeleCable Corp.	375,295	(9/83)
16.	Heritage Communications	356,224	
17.	Comcast Cable Communications	336,100	(12/83)
18.	Capital Cities Cable Inc.	335,800	(6/83)
19.	UA Cablesystems Corp.	331,300	
20.	General Electric Cablevision	318,000	

Subscriber counts are as of 10/83 unless noted otherwise.
[1]Number is an estimate.
[2]Includes MetroVision, NewChannels, Vision Cable.
Source: Sub counts are provided by the MSOs for ICR, Cable Information Service—a Titsch Communications division.